

**State Employee Benefits Advisory Council Meeting
February 17, 2010
Statewide Benefits Office
Dover, Delaware**

The State Employee Benefits Advisory Council met on February 17, 2010 in the Statewide Benefits Office, 500 W. Loockerman St., Suite 320, Dover, Delaware. The following Council members and guests were present:

Thomas Chapman, SEBAC Chair, DSEA,
Seaford S.D.
Patricia Griffin, SEBAC, Court Admin.
Marsha Carson, SEBAC, DOS

Brenda Lakeman, OMB, SW Benefits, Director
Faith Rentz, OMB, SW Benefits
Mary Thuresson, SW Benefits
John Kenyon, AFSCME

Mr. Chapman called the meeting to order at 3:15 p.m. and introductions followed.

1. Approval of Minutes

Mr. Chapman requested a motion to approve the January 20, 2009 SEBAC minutes. Ms. Griffin made the motion and Ms. Carson seconded the motion. Upon unanimous voice vote the minutes were approved.

2. Update of SEBC Activities – Ms. Lakeman

Follow-up answers to questions asked at the January 20 SEBAC meeting about Med Solutions (High Tech Imaging) were given and discussed along with other questions that were presented at SEBC on January 25. An answer sheet was distributed for those along with two articles: One by Brian Casey titled *FDA finds new cases of CT radiation overexposure*; and one posted November 30, 2009 by HealthDay titled *CT Scan patients may Get Unnecessary Imaging*. A \$1.7M FY11 savings is expected if the Med Solutions program is approved by the SEBC. The SEBC will be asked to vote to utilize Med Solutions to be implemented as of July 1, 2010.

Medco Prescription Program considerations will include managing cancer, multiple sclerosis and migraine drugs. Multiple sclerosis meds at certain stages of the disease are no longer useful. Monitoring will help the patient receive the most appropriate drugs at the right time. Migraine drugs will be managed with a step therapy program. There is an appeal process available. Genetic testing can be useful with medication such as warfarin and tamoxifen to determine their usefulness per individual. These implementations could save over \$1.2M. SEBC will be asked to vote. There was discussion and questions answered.

Plan changes for Bariatric Surgery and In Vitro Fertilization (IVF) were explained and discussed. Savings for Bariatric Surgery would be \$0.5M - \$1.0M and for IVF savings would depend on which plan changes are approved. SEBC will be asked to vote on both. There was discussion and questions answered.

There are two new federal mandates that must be voted on. The State, being self insured, is not required to adopt these, but in the past has always adopted federal mandates. Michelle's Law requires that insurance be continued for any covered college student who becomes seriously ill and cannot continue school enrollment, to be covered for one year or until age 24 whichever is

first at a cost of \$1M. The Mental Health Parity requires mental health benefits to be at the same level as medical or surgical services (cost \$0.3M). Discussion, questions and answers followed.

Minnesota Life Insurance rates expire at the end of 2010. They have agreed to maintain the current rates for two more years. They will add will preparation and legal assistance. They will increase the child coverage to \$10,000 and add an option to increase spousal insurance up to \$20,000. For those who already have spousal coverage, no medical statement of insurability will be required for the increase if elected during one specified open enrollment period. SEBC will be asked to vote. Discussion included questions and answers.

3. SEBAC Comment to SEBC

The SEBAC was in agreement with all of the above mentioned cost savings. The recommendation to SEBC for the prescription drugs will stress close monitoring.

4. Other Business

Ms. Griffin had a question about the health fund financial predictions. Ms. Rentz explained it is an ongoing process and will become clearer as time goes forward. As of December there was a \$72M shortfall for next year. The SEBC is responsible for closing the gap. At this point how that happens has not been determined. Projections are made 18-24 months in advance as to estimates on future claim expenditures and rates are set to balance premiums and expenditures. This year expenditures are running higher than projected. This creates a deficit which builds on the deficit for next year. There is nothing they can do about this year because rates are already set. There was discussion, questions and answers. The shortfall must be accounted for in fiscal year 2011 planning. That will be discussed with the SEBC on March 8. There can be further discussion on this subject at the March 3, 2010 SEBAC meeting.

5. Public Comment

None.

SEBAC members were reminded of the three March meetings on March 3, 15 and 24. SEBC meetings are March 8, 19, and 29. The March 3rd SEBAC meeting is very important and the other meetings may be adjusted.

Ms. Lakeman reminded members there needs to be a majority present for an official meeting. Attending via phone conference does not count as being present per our legal counsel.

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Being no further business, Mr. Chapman asked for a motion to adjourn. Ms. Griffin made the motion and a unanimous verbal approval followed. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

Mary Thuresson
Administrative Specialist II
Statewide Benefits Unit, OMB